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IMMEDIATE RELEASE

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Bill to Limit Medi-Cal Estate Recovery Clears California Legislature with Unanimous Vote

(Sacramento, CA) – SB 1124, by Senator Ed Hernandez, O.D. (D-West Covina), has cleared the California State Legislature with a 78-0 vote on the Assembly floor and 34-0 vote in the Senate. It now moves to Governor Brown's desk for signature.

SB 1124 would limit estate recovery in the Medi-Cal program by requiring collection from estates of former Medi-Cal beneficiaries for only those health care services required to be collected under federal law. In addition, SB 1124 would make it possible for Medi-Cal beneficiaries to obtain information on amounts spent by Medi-Cal on their behalf that are subject to estate recovery.

Federal law requires states to recover from the estates of deceased former Medi-Cal beneficiaries for the costs of providing some care, such as nursing facility services, and gives states the option to recover for additional health care services covered under Medi-Cal.

California is one of only ten states that has elected the federal option to recover from the estates of deceased Medi-Cal beneficiaries for nearly all medical services covered under Medi-Cal for individuals age 55 and older. Oregon and Washington recently discontinued estate recovery collection beyond amounts required by federal law due to the negative impact estate recovery rules were having on enrollment.

"I authored this bill because I think having to put a family house on the line in order to receive health care coverage is totally unreasonable. Estate recovery is a deterrent to signing people up for care, which goes against our efforts to cover more Californians," said Senator Hernandez. "We strongly believe Governor Brown should sign this unanimously supported bill into law," the Senator added.

Elizabeth Landsberg of the Western Center on Law and Poverty, a co-sponsor of SB 1124 says "Estate recovery turns what was intended to be a safety net program into a long-term loan program. It perpetuates intergenerational poverty by undermining the security that families might pass on to their children. For the first time, people have to have health coverage, and it's unfair that the lowest income people can lose their limited assets while other higher income people who are also getting publicly-subsidized health coverage don't have that risk."

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Patricia McGinnis of the California Advocates for Nursing Home Reform, a co-sponsor of SB 1124, said “Many poor Californians are afraid to enroll in the Medi-Cal Expansion for fear of losing their homes to the Medi-Cal Recovery Program. SB 1124 would address this barrier to enrollment by eliminating most of the optional recovery provisions and allow thousands of older, low-income Medi-Cal beneficiaries to be relieved of the worry about losing their family homes.”

The Governor has until September 30th to take action on SB 1124.

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